

PACCAR Inc

Business Center Building
P.O. Box 1518
Bellevue, Washington 98009
Telephone (206) 455-7400

June 5, 1987

Gordon K. Buchan, SIOR
Bullier & Bullier
One Union Square
600 University Street
Seattle, Washington 98101

Re: Desimone - PACCAR Oxbow Lease

Dear Gordon:

I return herewith three copies of the Extension of Lease as to Parcel D, each signed by PACCAR. You will note that I made a change in Paragraph 7, to correct a typographical error, and have initialled this change. Dave Sweeney is aware of this correction and has approved it. I ask that Katherine Desimone also initial the change and then return at least one fully executed copy of the Lease to me for PACCAR's file.

I have also attached Exhibit A to each Extension of Lease, being the survey drawing of Parcels A, B, C and D.

From my discussions with Joe Desimone on the morning of June 5, I now understand that there are only several minor items to be cleaned up, after which Parcel D is acceptable to Katherine Desimone for surrender under the Lease. Several recent inspections have been made by Dick and Joe Desimone, and by a civil engineer who "passed" the concrete rubble embedded in the soil. On June 5 Joe Desimone advised that the remaining items which the Desimones wanted to be cleaned up are as follows:

- 1) remove a large rubber tire on Parcel D near the City Light transmission corridor;
- 2) remove a large telephone pole lying in the bushes near the south edge of the property;
- 3) cause Ted Norman of Ted's Machinery to remove his remaining metal objects (tanks, pallets, etc.) from the south edge of the property next to 27th Avenue South (West Marginal Place South).

Joe Desimone indicated if these matters were resolved by June 20, PACCAR would have no need to extend the Lease beyond the first extension, and he agreed to check the property to confirm their removal any time we ask. While PACCAR disagrees that it has any responsibility for removal of any property of Ted's Machinery, we will make an effort to cause Ted or Atlas

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to remove this property as soon as possible. Ted Norman commented that the ground must be dry to work in this area, and still feels there should be no urgency in removing his storage from a street or public easement right of way, which he believes this area to be. However, I understand Atlas will assist Ted in removing the materials by early in the week of June 8.

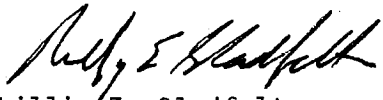
Assuming the foregoing matters are resolved satisfactorily to the Desimones by June 20, further extensions of the lease of Parcel D will then be unnecessary. Accordingly, as soon as these matters have been so resolved, it will be appropriate for Katherine Desimone to give PACCAR a letter confirming she has accepted surrender of Parcel D of the Leased Premises under the Lease. With respect to Parcels A and B, such a letter could properly be given now by Rainier Bank and the other Lessors.

I have mentioned this to Dave Sweeney, and he will undertake to prepare the appropriate documentation upon request of the respective Lessors. This letter constitutes PACCAR's request that the Lessors prepare such documentation for Parcels A and B now, and that Katherine Desimone as Lessor prepare such documentation for Parcel D when the matters referred to above in subparagraphs 1), 2) and 3) have been resolved acceptably to the Desimones.

I appreciate all of the help and assistance you have provided over the last several months in bringing about a resolution favorable to all concerned regarding the Desimone - PACCAR Lease.

With good wishes.

Very truly yours,


Phillip E. Gladfelter
Corporate Real Property Manager

PEG:bjm

Enclosure

cc: D.B. Sweeney, Esq. (enc.)
S.E. Erickson, Esq. (enc.)
T.P. Lukens, Esq. (enc.)
R.E. Reynolds
B. Kelly (enc.)
J. Sorensen/F.A. Fleischmann (enc.)
M.F. Candaux (enc.)
K.R. Brownstein
R.A. Hoel (enc.)

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EXTENSION OF LEASE

This EXTENSION OF LEASE is made as of the 30th day of May, 1987, by and between Katherine M. Desimone, individually and as Trustee under the Last Will and Testament of Richard Louis Desimone, deceased, as "Lessor," and PACCAR, INC., a Delaware Corporation, as "Lessee."

R E C I T A L S :

A. Assunta Desimone, Rainier National Bank, Harold S. Shefelman, Mondo Desimone and Rose D. Maselli, all as Trustees under the Last Will and Testament of Giuseppe Desimone, deceased, and Katherine M. Desimone, individually and as Executrix of the Estate of Richard Louis Desimone, deceased, all as Lessors, and PACCAR, INC., a Delaware Corporation, as Lessee, entered into a Lease (the "Lease") dated March 25, 1977.

B. PACCAR, INC. as Sublessor and Atlas Building Wreckers of Portland, Oregon, as Sublessee, entered into a Sublease (the "Sublease") dated March 1, 1979, and a Revocable License Agreement ("Revocable License Agreement") dated May 12, 1986.

Handwritten: Sublessor
C. The ~~Sublease~~ ^{Sublessor} leased to the Sublessee a portion of the Premises leased to PACCAR under the Lease, and the Revocable License Agreement granted subsequent access to portions of the Premises for purposes of cleanup of the property therein described, each with the consent of the Lessor.

D. The Lease, as to that portion of the Premises shown as Parcels A and B on Exhibit A attached hereto and incorporated herein, has in accordance with its terms expired effective May 31, 1987. Lessor Katherine M. Desimone, having the sole interest under the Lease in Parcel D shown on Exhibit A hereto, and Lessee wish to extend the Lease upon all terms and conditions thereof, as hereby amended, for one additional month, with two options to renew for additional periods of one month each.

Such extension is for the purpose of enabling complete restoration of Parcel D to the condition required upon expiration or termination of the Lease by paragraph 12 thereof.

Accordingly, in consideration of the mutual covenants herein contained, and effective the date hereof, the Lease is amended as follows:

1. The description of the Lessor in the Lease is revised to refer only to Katherine M. Desimone, individually and as Trustee under the Will of Richard Louis Desimone, deceased, inasmuch as the interests of the other Lessors pertain to other property now deleted from the Premises under the Lease.

2. Paragraph 1 of the Lease is amended to revise the legal description of the Premises thereunder to read as follows:

"Parcel D, being that portion of Government lot 11 in Section 4, Township 23 North, Range 4 East, W. M., in King County, Washington, lying northeasterly of the northeasterly margin of Primary State Highway No. 1, as established by King County Superior Court Cause No. 529021; and lying southwesterly of the southwest line of the Seattle Transmission line as established by Ordinance No. 82986 of the City of Seattle, as condemned in King County Superior Court Cause No. 469557; and lying northwesterly of the Duwamish River; EXCEPT the South 460 feet of said Government Lot 11, all as further shown on Exhibit A attached hereto, and comprising an area of 4.65 acres, more or less."

3. Paragraph 2 of the Lease is amended to read as follows:

"The term of this Lease shall be for one month, and shall commence on the first day of June, 1987, and terminate on the last day of June, 1987. In addition, Lessor grants to Lessee two options to renew the term of the Lease, for additional terms of one month each, the first to commence on July 1, 1987, and the second to commence on August 1, 1987, each to terminate as of the last days of July and August, respectively, if the exercise of such options is necessary to completely restore the Premises as required by paragraph 12 of the Lease. Such additional terms shall be on the same terms and conditions as are contained herein. Lessee shall exercise its option to renew by written notice to Lessor by the 20th day of the month prior to the month for which the option to renew is being exercised."

4. Paragraph 3 of the Lease is amended to add a new paragraph at the end thereof reading as follows:

"Effective June 1, 1987, rental under the Lease is adjusted to the sum of Five Hundred Ninety One Dollars (\$591.00) per month for the remainder of the term, to reflect the deletion of a portion of the Premises formerly subject to the Lease. Such rental is payable entirely to Lessor Katherine M. Desimone, individually and as Trustee."

5. Paragraph 4 of the Lease is deleted.

6. Notwithstanding any contrary implication of paragraphs 8 and 24 or any other provisions of the Lease, Lessee may at any time during the term of the Lease permit access to and use of the Premises by Atlas Building Wreckers, Inc., Future Resources, Inc., Allied Demolition Company and/or the Sabey Corporation, and their respective employees, agents and contractors, for the purposes of restoration of the Premises to the condition thereof at expiration of the term required by paragraph 12 of the Lease.

7. Notwithstanding the provisions of paragraph ¹⁹ ~~22~~ of the Lease, Lessor shall give at least five (5) days' advance written notice to Lessee of any act or thing required to be done by Lessee under the Lease which Lessor, pursuant to said paragraph ¹⁹ ~~22~~, intends to do or perform at Lessee's expense.

8. The Lease, as hereby amended, is ratified and confirmed, and remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Lease as of May 30, 1987.

PACCAR, INC.

By [Signature]
its Corporate Real Estate Manager

LESSEE

[Signature]
Katherine M. Desimone
Individually and as Trustee
under the will of Richard Louis
Desimone, Deceased

LESSOR

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 29th day of May, 1987, before me, the undersigned Notary Public in and for the State of Washington, personally appeared KATHERINE M. DESIMONE, to me known to be the individual described in and who executed the within and foregoing instrument, individually and as Trustee of the will of Richard Louis Desimone, deceased, and acknowledged that she signed the same as her free and voluntary act and deed, individually and as Trustee, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Ernest K. Bach
Notary Public in and for the
State of Washington, residing
at KENTON

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 4th day of June, 1987, before me, the undersigned Notary Public in and for the State of Washington, personally appeared Phillip E. Gladfelter, to me known to be the CORPORATE REAL PROPERTY MANAGER of PACCAR, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and an oath stated that they are authorized to execute the said instrument.

WITNESS my hand and official seal the day and year in this certificate first above written.

Carolyn Jones
Notary Public in and for the
State of Washington, residing
at Bellevue

0917d

This map correctly represents a survey made by me or under my direction in accordance with the requirements of the Survey Recording Act, at the request of 1927-1928.
This Survey of 1927-1928. 1927.

June __, 1987

DRAFT

PACCAR Inc
P.O. Box 1518
Bellevue, WA 98009

Attn: P. E. Gladfelter

Gentlemen:

Reference is made to the lease (as amended the "Lease") entered into March 27, 1977 by and between Assunta Desimone, Rainier National Bank, Harold S. Shefelman, Mondo Desimone and Rose D. Maselli, all as Trustees under the Last Will and Testament of Guiseppe Desimone, deceased, and Katherine M. Desimone, Individually and as Executrix of the Estate of Richard Louis Desimone, deceased, all as Lessors; and PACCAR Inc, a Delaware Corporation, as Lessee. The Premises leased under the Lease are shown as Parcels A, B and D on the survey map attached to this letter.

The Lease, by its terms, expired on May 30, 1987 as to Parcels A and B, and has been extended to an expiration date of June 30, 1987 as to Parcel D by an Extension of Lease dated as of May 30, 1987 between Lessor Katherine M. Desimone and PACCAR.

Inasmuch as the Lessors and Sabey Corporation have entered into a long-term lease for Parcels A and B effective May 31, 1987, whereunder Sabey Corporation accepted Parcels A and B in their then condition for all purposes of such new lease, this letter further confirms to PACCAR that said Lessors have accepted surrender of Parcels A and B under the Lease and for all purposes thereof, effective May 30, 1987.

Very truly yours,

Rainier National Bank, as
Co-Trustee under the Will of
Guiseppe Desimone and as
Co-executor of the estate of
Assunta Desimone, deceased.

By _____
Vice President

By _____
Real Estate Officer

Mondo Desimone, as Co-Trustee
under the Will of Guiseppe Desimone
and as Co-executor of the Estate of
Assunta Desimone, deceased.

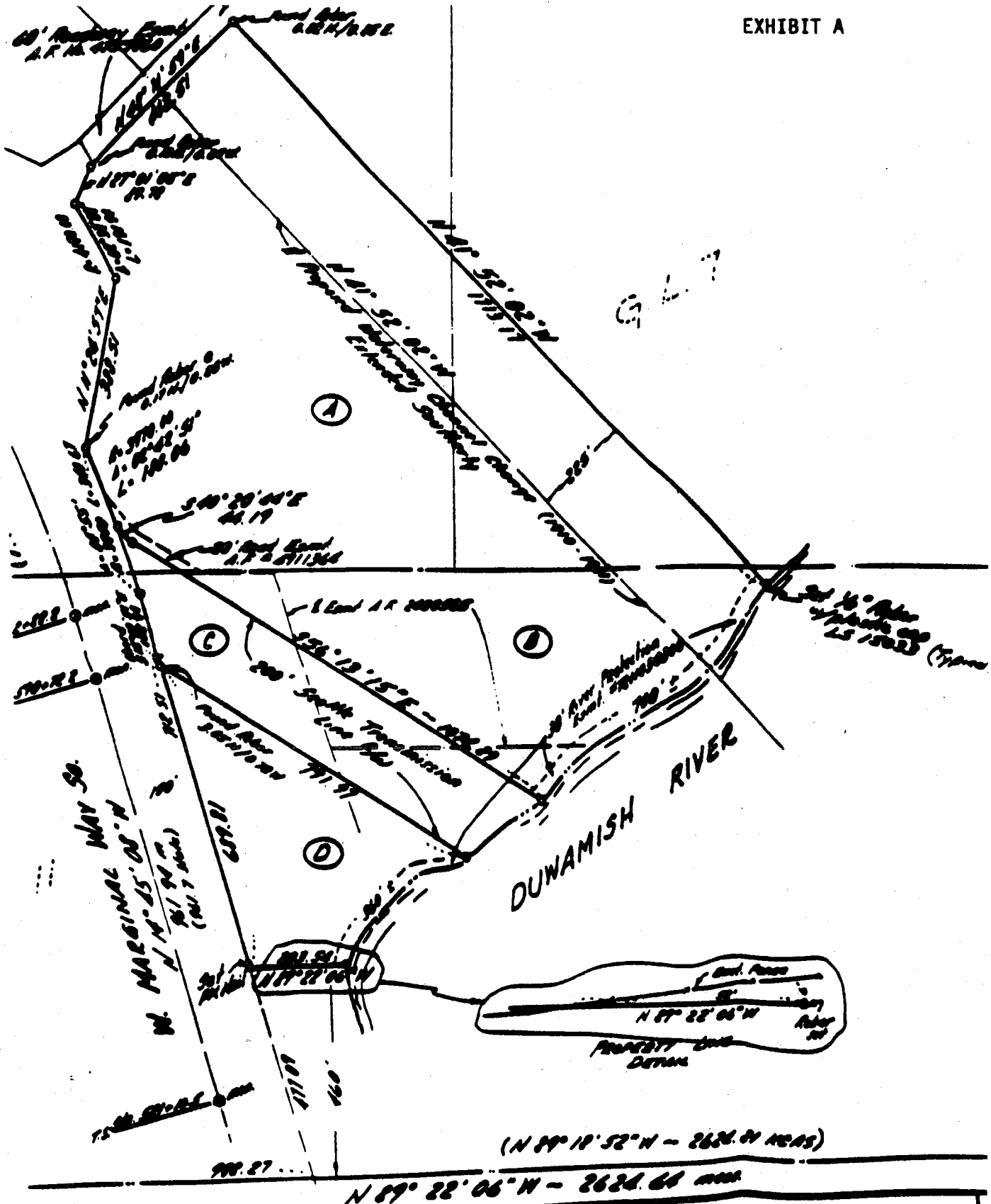
Rose D. Maselli, as Co-Trustee
under the Will of Guiseppe Desimone
and as Co-executor of the Estate of
Assunta Desimone, deceased.

Katherine M. Desimone, individually
and as Trustee under the Will of
Richard Louis Desimone, deceased.

LESSORS

Attachment: Survey map of premises

DFT 002697



FIGATE: A.P. No. B70422.96
 d this 22 day of
19 27, at 2.47 a.m. in
 survey, page 50 of the
 book G. 2072.

SURVEYOR'S CERTIFICATION:

This map correctly represents a survey made
 by me or under my direction in accordance
 with the requirements of the Survey Recording
 Act, at the request of [Signature]
 this 22 day of 19 27.